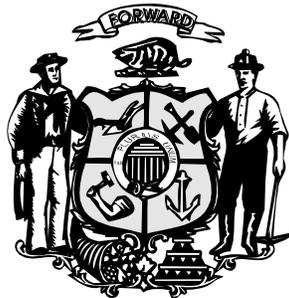


State of Wisconsin State Bureau of Procurement



Vendor's Guide

A guide to help your company in...

Doing Business with the State of Wisconsin

Who's Buying What?
General Procedures
The Procurement Process
Other Procurement Methods
Delivery and Payment
Affirmative Action
Supplier Diversity

Welcome to the Vendor's Guide

Frequently Asked Questions About Doing Business with the State of Wisconsin

This guide to selling to the State of Wisconsin is intended to assist in achieving expanded and mutually satisfactory contractor/purchasing agent relationships. The following information answers the most frequently asked questions about doing business with the state.

Please note that state employees are subject to a very strict code of ethics and may not accept personal gratuities from the private sector or associate with a contractor/seller for personal gain. Please help us by **not** sending gifts or offering to take a representative out to lunch.

- Tips on Doing Business with the State of Wisconsin
- Who's Buying What?
- General Procedures
- Other Procurement Methods
- The Procurement Process
- Delivery and Payment
- Affirmative Action
- Supplier Diversity

Tips on Doing Business with the State of Wisconsin

- Read the solicitation documents thoroughly and follow all instructions and conditions. Failure to do so could result in the rejection of your submittal.
- Make sure your solicitation is submitted before the specified closing time.
- Follow up on your submittal; find out who won the award, at what prices, and on what terms.
- Get to know the purchasing needs of various state agencies. Much of this information can be obtained by registering on VendorNet.
- Maintain a good reputation for service and reliability.
- Ask questions; depending on the situation, you can contact the individual that has conducted the solicitation or the State Bureau of Procurement.

Who's Buying What

- What does the state buy?
- From whom does the state purchase?
- Who is buying?
- How is state purchasing governed?

What does the state buy?

The State of Wisconsin operates buildings, institutions, offices, university facilities, parks, forests, farms and car and truck fleets.

A complete list of items purchased by the State of Wisconsin would be too lengthy to list here. The following illustrates the range of services and products used by the state.

Services

- Accounting
- Advertising
- Appraisals
- Architectural and Engineering
- Auditing
- Consulting
- Information Technology
- Elevator Maintenance and Repair
- Entertainment
- Financial
- Janitorial
- Laundry
- Leasing and Renting Land, Buildings, Offices and Rooms
- Legal
- Management
- Medical and Scientific
- Security Guard
- Social and Welfare
- Speaking, Training and Workshops
- Vending

Commodities

- Agricultural and Farm Machinery
- Agricultural and Horticultural
- Animal Feeds and Forage
- Animals
- Appliances and Food Service
- Athletic and Recreational
- Badges, Medals, Tags and Signs
- Builders and General Hardware
- Building and Construction
- Clothing and Accessories
- Communication, Alarm and Signal
- Information Technology
- Drafting and Surveying
- Drugs and Chemicals
- Electrical Power, Apparatus
- Fasteners
- Food
- Footwear
- Furniture and Furnishings
- Hand and Power Tools
- Industrial, Shop and Construction
- Laboratory
- Laundry, Cleaning, Dishwashing and Disinfecting
- Lumber and Wood Products
- Medical
- Metals: Bars, Sheets and Shapes
- Motor Vehicle and Transportation
- Music and Musical Instruments
- Office, Educational and Library
- Office Machines
- Paints and Related Products
- Paper, Paper Products and Bags
- Personal Care Products and Toiletry
- Photographic
- Plumbing, Heating, Air Conditioning and Ventilation
- Police, Fire-Fighting and Safety
- Preprinted Publications
- Printing and Bookbinding
- Steam, Fuels, Greases and Lubricants
- Textiles

From whom does the state purchase?

Every year agencies, institutions and campuses purchase over \$1 billion worth of commodities, services and capital equipment. Some of these purchases are made from private companies and are low dollar orders; many are from small businesses.

Who is buying?

State laws governing the purchase of commodities and services allow the Department of Administration, State Bureau of Procurement, to purchase centrally or to delegate authority to other state agencies. State agency purchasing offices are located throughout the state.

How is state purchasing governed?

State laws place authority and responsibility for all state purchases in the Department of Administration, State Bureau of Procurement, (section 16.71, Wis. Stats.).

Wisconsin procurement statutes provide a framework for the policies and procedures used by state agencies and campuses to acquire commodities and services needed for day-to-day operations. State procurement laws and policies are established as follows:

- §16.70-16.78, Wis. Stats., apply to all general purchasing of commodities and services by agencies and campuses.
- ADM 5-11 and 50, Wisconsin Administrative Code, define purchasing and competitive bidding policies.
- The State Procurement Manual sets forth detailed procurement policies and procedures.

General Procedures

- What happens to provided samples/literature?
- What is the policy on used equipment and trade-ins?
- May I demonstrate my product or service?
- May I substitute my product?
- What if something is back ordered?
- What are the consequences of default?
- What if I haven't paid my taxes?

What happens to provided samples/literature?

Samples or descriptive literature required for the solicitation request must be provided free of charge. Samples which are not destroyed by testing will be returned at the bidder's/proposer's request and expense. Samples submitted by successful bidders/proposer's may be kept for the duration of the contract for comparison with materials received.

What is the policy on used equipment and trade-ins?

Supplies and equipment offered and furnished must be new and of current production unless the request for bid/proposal specifically permits the offer of used items. Remanufactured or reconstructed items are not considered new.

The state may request bids/proposals for new equipment employing trade-ins or used equipment. In such cases, two price quotations will usually be requested: one including the value of trade-in equipment and one excluding consideration of the trade-in equipment. The state reserves the right to purchase equipment with or without the trade-in.

May I demonstrate my product or service?

The state recognizes the value of the demonstration of products and services. However, to ensure proper testing and valid evaluation, bidders/proposers are required to obtain prior approval for demonstrations from the State Bureau of Procurement or the procuring agency.

May I substitute my product?

Substitution is defined as the shipment of an item that materially conforms to the specifications, but is technically different from the item in the request for bid/proposal. Substitution requires approval from the State Bureau of Procurement or the procuring agency prior to shipment.

Products delivered that do not meet the specifications will be returned to the contractor at the contractor's expense. When a product is returned, the contractor must replace it with acceptable merchandise or the state may seek remedies for default.

What if something is back ordered?

If it is necessary to back order any items, the contractor should notify the agency and inform them of the expected delivery date. If that date is unacceptable, the state may seek remedies for default.

What are the consequences of default?

In case of default by the contractor, the state may procure the product or service from other sources and hold the contractor responsible for any damages incurred including, but not limited to, excess cost or handling charges.

What if I haven't paid my taxes?

Contractors who have a delinquent tax liability may have their payments withheld and applied toward their tax delinquency by the State of Wisconsin. Also, agencies/campuses may not contract with vendors that the Department of Revenue has identified as not collecting and remitting Wisconsin sales or use tax.

Other Procurement Methods

- Does the state consider value or just cost?
- What if there is only one source for a product or service?
- How is printing purchased?
- How does the state handle contractual, construction, architectural and engineering services contracts?

Does the state consider value or just cost?

Competitive negotiation, or the request for proposal (RFP) process, is used for soliciting proposals where an award cannot be made strictly on specifications or price and several firms are qualified to furnish the product or service. However, price is always a major consideration.

What if there is only one source for a product or service?

Sole source negotiation (also called “non-competitive” negotiation) is the process that may be used to purchase a product or service that can be obtained only from one source. The agency must demonstrate and the State Bureau of Procurement must concur that only one source exists, that the price is equitable, and/or that non-competitive negotiation is in the best interests of the state. Sole source requests over \$25,000 must be approved by the Governor.

How is printing purchased?

Printing Contracts:

The state constitution requires that all printing for the State of Wisconsin be awarded on the basis of low bid, regardless of dollar amount. Therefore, RFP and sole source negotiations do not apply to printing. In addition, the bidder preference will not be considered from a minority or disabled veteran-owned business on a printing or stationery procurement.

How does the state handle contractual, construction, architectural and engineering services contracts?

Contractual Services:

Contractual services are most commonly purchased by using the RFP process, although the RFB process can be appropriate as well. Agencies must justify that it is more economical and efficient to contract for the service than to use state employees.

Construction, Architectural and Engineering Services Contracts:

Architectural and engineering contracts differ from contractual services in that they are considered construction and procured according to construction rules and regulations. All new construction, remodeling and additions for state agencies and the University of Wisconsin System are administered by the Department of Administration, Division of Facilities Development.

The Procurement Process

- Why does the state use the procurement process?
- Is the procurement process complicated?
- May I attend a bid/proposal opening?
- How are vendors notified of large procurements?
- Who do I contact if I have a question about a solicitation?
- What can I do if I discover an error in my solicitation?
- How do I submit a response to a solicitation?
- What if my solicitation is late?
- How are solicitations awarded?
- What is a responsible bidder?
- Is there an appeals process?

Why does the state use the procurement process?

State laws require the use of the bid process whenever possible because it promotes free and open competition while allowing the state to pay the best price for an appropriate product. This is accomplished by awarding the solicitation to the lowest responsible bidder.

Is the procurement process complicated?

The State of Wisconsin recently adjusted its bid levels to streamline the purchasing process for state agencies and vendors.

For all best judgment and simplified bidding procurements, agencies make a special effort to award to small businesses, veteran-owned businesses, disabled veteran-owned businesses, minority businesses, and work centers.

Purchases of \$5000 or less:

Purchases may be made from vendors who, according to the best judgment of the purchasing agent, can supply the item of appropriate quality at a reasonable price.

Purchases over \$5000 through \$50,000:

The purchasing agent compares three or more bids from at least three or more bidders, whenever possible, from price lists, quotes on file, phone or verbal quotes, or written bids. The low bid price should be confirmed in writing by the vendor.

Over \$50,000:

At this level, a formal process is used. Solicitations are advertised on the State of Wisconsin Public Notices website. In addition, the solicitations are posted on VendorNet.

May I attend a bid/proposal opening?

Bidders/Proposers and the public are invited, but not required, to attend the formal opening. No activity on the part of bidders/proposers at an opening, other than attendance and note taking, is permitted. Any attempt to qualify or change any solicitation by any bidder/proposer in attendance may result in the rejection of the solicitation. Prices will be read aloud to the public when practical. No decisions related to an award of a contract or purchase order will be made at the opening.

Bids and tabulation sheets are kept by the State Bureau of Procurement or the procuring agency for a period of time established by regulation or statute after the award is made. These documents are available for inspection by contacting the State Bureau of Procurement or the procuring agency.

How are vendors notified of large procurements?

“VendorNet” (<http://vendornet.state.wi.us>) is a system which enables vendors, agencies and municipalities to access electronically a variety of purchasing related items; such as, the state bidders list, requests for bids/proposals and contracts.

Registration on the State of Wisconsin’s VendorNet System is available free of charge to all businesses and organizations that want to sell to the state.

Registration allows a vendor to:

- Register for a bidders list for commodities/services that the vendor wants to sell to the state.
- Receive an automatic e-mail notification each time a state agency, including the University of Wisconsin System campuses, posts an RFB or an RFP with an estimated value over \$50,000 in their designated commodity/service area(s).
- Receive an e-mail notification of addendums/amendments relative to the RFB or RFP.

Only vendors registered, with a valid e-mail address, at the time the RFB or RFP is posted will receive e-mail notifications of addendums/amendments. Vendors who obtain the RFB or RFP from a third party; through the public notice website; or other means assume responsibility for checking for updates to the RFB or RFP.

Who do I contact if I have a question about a solicitation?

Questions concerning solicitations should be directed to the purchasing agent whose name and telephone number appear on the document. Please specify the solicitation number and opening date when contacting this person.

What can I do if I discover an error in my request for bid/proposal response?

A bidder/proposer may withdraw a bid/proposal at any time prior to the bid/proposal opening. A bidder/proposer may modify the bid/proposal and resubmit it to the State Bureau of Procurement or the procuring agency before the due date and time of the solicitation.

How do I submit a response to a solicitation?

Bidders/proposers must ensure that responses to solicitations are sealed prior to delivery to the State Bureau of Procurement or the procuring agency. An envelope or a box may be used. Containers must be labeled with the following information: solicitation number, date and time of the opening and a description of the commodity or service for which the bid/proposal is being submitted. The response should be sent or hand-delivered to the location specified in the solicitation.

What if my response is late?

Late responses will not be accepted. It is the bidder’s/proposer’s responsibility to ensure that a response is received by the State Bureau of Procurement or the procuring agency prior to the time and date specified. Late responses will be rejected unopened, regardless of the degree of lateness or the reasons for lateness, including reasons beyond the control of the bidder/proposer.

How are solicitations awarded?

Criteria for award:

For a request for bid, provided the bid response meets all specifications and requirements, award will be made to the lowest responsible bidder considering price, responsibility, qualification and capability of the bidder, availability of funds and all other relevant factors.

- Certified minority-owned business enterprises and disabled veteran-owned businesses may be given a 5% preference (excludes printing).
- When life cycle costs are considered, the bid selected may not be the lowest initial cost bidder.
- Printing bids are awarded based on the lowest costs.

For a request for proposal, an evaluation committee reviews the proposals and scores each according to the criteria established in the RFP. Award will be made to the highest scoring proposer.

Non-criteria for award:

The following are not considered in making an award:

- Assistance in the development of specifications or other advisory services provided by the bidder/proposer. Although such assistance is valuable and appreciated by the state, no preferential recognition can be given in return for these services.
- Woman-owned, veteran-owned, and small business status. This information is requested for statistical purposes only.
- Cash discounts offered for early payment, except in the case of tied RFB ~~request for bid~~ responses only.

What is a responsible bidder?

The state ensures its needs are met by awarding to a responsible bidder who submits the lowest bid. The concept of the lowest responsible bidder includes the understanding of two terms: responsible and responsive.

The state uses the term "responsible" in reference to the bidder's integrity and reliability. Bidders who have the structure and ability to perform as promised and to stand behind what they deliver to the state are responsible bidders.

The state uses the term "responsive" to refer to the bidder's ability to meet the specifications of the contract.

The following outlines five criteria for determining the lowest responsible and responsive bidder.

- Financial ability to provide the service or complete the contract.
- Skill, judgment, experience and resources to capably provide the service or complete the contract.
- Necessary facilities, staff, personnel and equipment to provide the service or complete the contract.
- Demonstrated ability to satisfactorily perform the work in a prompt and conscientious manner.
- Demonstrated ability to comply in situations where the award is contingent on special considerations subject to the nature of the service or contract.

Is there an appeals process?

Yes, but only for procurements for services over \$50,000. Bidders/Proposers may challenge purchasing procedures concerning a solicitation or the intent to award a contract. Such challenges must be made in writing to the procuring agency head, detailing the specific nature of the complaint or objection and identifying the alleged violation of a Wisconsin Statute or a provision of a Wisconsin Administrative Code.

Delivery and Payment

- How should a product be packaged?
- What are the state's inspection procedures?
- What is the payment process?
- Is it possible to offer a discount for early payment?

How should a product be packaged?

Packaging must conform to the award standard acceptable to the trade and required by ICC regulation. A packing slip or invoice which states the purchase order number must accompany all shipments.

What are the state's inspection procedures?

Materials, equipment and supplies are subject to inspections and tests. Items that do not meet specifications will be rejected.

What is the payment process?

After delivery of products or services ordered, the contractor must submit an invoice for payment to the agency specified on the purchase order. Contractors can expedite payment by preparing and mailing the invoice in strict accordance with the instructions given on the purchase order. (For large orders requiring partial or periodical deliveries and involving sizeable amounts of money, separate invoices may be submitted for each delivery.)

When merchandise is received, it is inspected and a receiving report is prepared. The receiving report is then compared with the contractor's invoice and the order form. If all the documents are in order, a payment request is submitted and a check is issued.

If no dispute exists, the law requires the State of Wisconsin to pay invoices within 30 days of the receipt of a properly completed invoice or receipt and acceptance of the product or service, whichever is later. If an agency does not pay on time, a contractor can request that the agency pay interest on the balance due from the 31st day.

Is it possible to offer a discount for early payment?

Early payment discounts are not considered when evaluating bids except in the case of tied bids. To be considered, they must meet the following conditions:

- Minimum time period considered is 15 days.
- Minimum amount to be considered is 2% or \$20, whichever is higher.

Affirmative Action

- Are there affirmative action requirements for contractors?
- What is the state's non-discrimination policy?

Are there affirmative action requirements for contractors?

The State of Wisconsin requires that contracts estimated to be over \$50,000 require the contractor to submit a written affirmative action plan. Exemption from this requirement occurs if the contractor has a workforce of less than 50 employees.

Technical assistance in writing an affirmative action plan is available from the contracting state agency.

What is the state's non-discrimination policy?

The State of Wisconsin maintains non-discriminatory provisions in all contracts with suppliers or contractors. Essentially, the provisions prohibit discrimination in employment by its contractors.

The non-discrimination provision states, "in connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment, because of age, race, religion, color, handicap, sex, physical condition, developmental disability...sexual orientation... or national origin."

Supplier Diversity

Minority Business Enterprise (MBE)

MBEs are certified by the Wisconsin Supplier Diversity Program. This program can be found at: <http://www.doa.state.wi.us/Divisions/Enterprise-Operations/Supplier-Diversity-Program> The State of Wisconsin is committed to the promotion of MBEs in the state's purchasing program. Wisconsin statutes provide for a permissive 5% price preference for certified MBEs that compete for state contracts. This means that state agencies may make an award to the MBE submitting the lowest qualified bid when that qualified bid is not more than 5% higher than the apparent low bid. (A bidder preference will not be considered on a printing or stationery procurement.) Policy provides that MBEs should have the maximum opportunity to participate in the performance of its contracts. The supplier/contractor is strongly urged to use due diligence to further this policy by awarding subcontracts to MBEs or by using such enterprises to provide commodities and services incidental to an agreement.

Veteran-owned Business (VB)

The State Bureau of Procurement encourages the participation of VBs in the statewide purchasing program by inviting VBs to actively solicit public purchasing business and by reducing undue impediments to such participation. VBs are certified by the Department of Veterans Affairs. Contact the DVA at: <http://dva.state.wi.us/> Currently there is no price preference for certified VBs that compete for State contracts.

Disabled Veteran-owned Business (DVB)

DVBs are certified by the Wisconsin Supplier Diversity Program. This program can be found at: <http://www.doa.state.wi.us/Divisions/Enterprise-Operations/Supplier-Diversity-Program> The State of Wisconsin is committed to the promotion of DVBs in the State's purchasing program. Wisconsin statutes provide for a permissive 5% price preference for certified DVBs that compete for state contracts. This means that state agencies may make an award to the DVB submitting the lowest qualified bid when that qualified bid is not more than 5% higher than the apparent low bid. (A bidder preference will not be considered on a printing or stationery procurement.) Policy provides that DVBs should have the maximum opportunity to participate in the performance of its contracts. The supplier/contractor is strongly urged to use due diligence to further this policy by awarding subcontracts to DVBs or by using such enterprises to provide commodities and services incidental to an agreement.

Woman-owned Business Enterprise (WBE)

WBEs are certified by the Woman's Business Ombudsman. This program can be found at: <http://www.doa.state.wi.us/Divisions/Enterprise-Operations/Supplier-Diversity-Program> State certified WBEs are able to provide both governmental entities and private companies with a credible recognition of the business' ownership. The WBE certification may serve as an additional marketing tool when seeking contract opportunities with entities that place a value on having a diverse supplier base. Currently there is no price preference for certified WBEs that compete for state contracts.



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